

Sales and Marketing Improvement

Increase Your Marketing Effectiveness While Reducing Marketing Costs and Effort

Business Sense

In this day and age of budget cuts, you need your marketing dollar to work harder than ever. Here's one way to do that. Pick a market position, any single market position, and focus your resources on "owning" that position.

Much is written and discussed in small business pubs these days about market position—and, for good reason. Identification and focus on a unique market position can allow a small business to significantly increase sales with less cost. It can allow that same small business to effectively compete with and win customers from even the largest companies with the largest marketing budgets.

My definition of a market position is "a niche with an attitude." A good market position is generally based on a combination of two or more very specific attributes that define a customer with a specific set of needs. The larger the number and specificity of the attributes, the better the position—assuming that the number of customers and needs defined by that market position is large enough to support your business.

Here are just a few possible market position attributes—sex, age, race, religion, sexual orientation, geographic area, income level, profession, home owner, renter, hobbies, quality sensitive, price sensitive, time sensitive, etc. Market positions can also be based solely on a unique or single product area focus, for example, Midas Mufflers, Jiffy Lube, and Starbuck's Coffee, to name only a few.

Using these market position attributes you can come up with any number of different positions—for example, professional women between 35 and 50 in age, who own sports cars in the St. Louis MSA.

Before you refocus your business on a specific position, make sure that the market position is large enough to support your business and that you can actually leverage expertise that you already have in one or more of the specific attributes of your new position.

For instance, if we use the example above, your position would be viable if there were 5,000 or more potential customers who fit your profile, and if you currently possess knowledge of sports cars, women, and/or the St. Louis area.

By now you may be beginning to understand the importance of positioning as it relates to marketing budget and effort. With a unique, smaller focus, you can use your marketing budget more effectively. For instance, you can abandon your yellow pages ad, in favor of highly targeted direct mail or flyer campaigns directed specifically to your target market. You can abandon your very expensive newspaper display ad in favor of low cost enthusiast oriented journals, etc. You can begin to leverage relationships with other businesses who may also know about women sports car enthusiasts—i.e., auto repair shops, tire dealers, body shops, etc.

Not convinced that this type of focus can work for you? McDonald's, Jiffy Lube, Midas, Domino's Pizza, Southwest Airlines, Ikea, Radio Shack, Batteries Plus, Nordstrom—all started small and focused on a narrow market position.

So, pick a specific market position today. Redesign your business and your marketing approach around that new position. Start realizing a much higher return on your marketing dollar.

Business Results Unlimited

128 Enchanted Parkway ? Suite 109 ? Manchester, MO 63021
Phone: 636.207.1227 ? Email: info@bizresults.net ? www.bizresults.net

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